

# COSHOW LODGE RATING FACTOR

Masonic Publication Tells Of Empire's Project; Rebuke Reported

(Continued from page 1)

tures of Judge Coshow which consistently head off the prospectus carried by Empire salesman, the judge wears a white carnation boutonniere and below that flower is placed his past master of the grand lodge pin, a white insignia with a small curve in its center, a symbol known ordinarily to Masons alone!

## Business Bureau Probes Project

The Better Business Bureau in Portland, headed by Robert Mount as manager, began early in 1931 to exercise the usual diligence in investigation which has consistently marked the activities of that organization since its origin in Portland. Thus on February 23, 1931, Mr. Mount addressed an extensive letter to Judge Coshow as president of the Empire Holding company. Mount asked no less than ten pointed questions concerning its operations and stock selling ans. According to The Statesman's files, the bulk of these questions were centered around the special sales methods followed by Empire promoters.

It is vital to note, however, that Mount's first two questions struck at the keystone of the Empire arch. Mount wrote as follows:

1. It is our understanding that no stock of the corporation will be used for promotion purposes or issued to officers, directors or others except for cash. Is this understanding correct?

2. Do officers and directors and other interested parties purchase stock on the same basis as the general public or are they being given a bonus for services or other considerations?

On February 24, 1931, the day after Mount's letter was written, Judge Oliver P. Coshow, president of the Empire Holding company, writing on stationery of the company and over his own signature, composed the following answer to Mount's salient questions. The Statesman today on its first page produces a facsimile of the first and vital part of this letter, showing how Judge Coshow repeated Mount's questions and then answered them, how the Empire's stationery was used, how the letter was closed with Judge Coshow's own signature. Letter Coincides With Solemn Oath

This letter to The Statesman becomes of special interest because it clearly coincides with the position of Judge Coshow when he took a solemn oath in the chambers of the chief justice of the state supreme court at Salem, November 14, 1930, that he had 'paid for in actual money' \$20,000 worth of Empire stock, and that there were no bonuses or inducements or any part payments in lieu of cash given for this stock!

In answering Mount's first question, Coshow answers directly that no stock will be used for promotion purposes, or issued to directors, officers or others except for cash, excepting that APPROVED SECURITIES SUCH AS THE STATUTES OF THIS STATE LIST AS PERMISSIBLE INVESTMENTS FOR TRUST PURPOSES WILL BE RECEIVED BY THE STATE AS CASH. Undoubtedly "trust" purposes coincide with the requirements the Oregon code provides for insurance company deposits with the state treasurer. Section 46-406 to the insurance laws of Oregon provides trust investments for insurance companies for capital stock may be United States, state and municipal securities, with limitations, fully paid savings and loan certificates or deposits in savings and loan associations, first mortgages on real property to 80 per cent of its actual value or real estate used by the company for its own purposes.

Not one of the quintet: Coshow, Petty, Keller, Stockman or Adams, put into the Empire company a bond of any sort, a first mortgage, a savings and loan certificate or any real estate for company use. By logical elimination their only contribution was cash and instead of \$20,000 each as testified it was \$20,000 apiece except for Stockman who paid nothing and Petty who paid \$1500.

In answering Mount's second question it will be noticed that Coshow wrote: "All of the officers and directors have purchased stock on the same basis as being offered to other interested parties. The wording is obviously clouded. Who other than officers and directors were "interested parties?" Certainly VanWinkle, Nott, Koser, Hagerty, and hundreds of others were "interested parties" but there is no record that they received a uniform 15% commission for selling themselves their stock!

Thus from November 14, 1930, to February 24, 1931, Judge Coshow's position was unambiguous; he consistently asserted he had paid \$20,000 for his own stock, there had been no bonuses, no trade-ins, no considerations in lieu of cash. This basis was to furnish much of the selling impetus Keller and his crew were to use. Yet an audit of the Empire Holding company's books July 31, 1931, reveals that Judge Coshow, president of the corporation, never paid into the company in excess of \$2000 in cash, that the total payments of Keller, Stockman, Petty, Adams and Coshow in money were \$7500; that the total commission received by these five men for selling their own stock to themselves was \$15,000.

# The Call Board

By OLIVE M. DOAK

## ELISNORE

Today — Walter Huston in "The Riving Voice."

## CAPITOL

Today — Richard Cromwell in "Shanghaied Love."

## GRAND

Today — Buck Jones in "Branded."

## HOLLYWOOD

Today — Charlotte Greenwood in "Stepping Out."

000. The records show that payment for the balance was to be made within three years, and that the annual salaries of each man were to be sufficient within two years to pay the entire five-year group of notes without the raising by the officers and directors of another single cent from their own pockets!

The Statesman discusses this matter of consistency on Judge Coshow's part as proof positive that the oath of November 14, 1930, taken in the chief justice's own chambers while he was receiving \$7500 from the state of Oregon as its ranking jurists, was not an idle gesture, but was a solemn oath, subscribed and duly sworn to and attested, and that 100 days from the time it was taken, the judge maintained a consistent front. Thus he disarmed criticism which the Better Business Bureau in Portland might have given by writing it February 24, 1931, that the officers and directors had made no stock payments to the Empire Holding company in anything but cash or securities subject to state trust requirements.

The Statesman has been asking frequently this week what Judge Coshow's attitude is since the revelations of his conduct as president of the Empire Holding company have been made. The management of this newspaper has talked to Judge Coshow since his recent return from a Masonic convention in Texas. Voluntarily, Jay Stockman, general counsel for the Empire, telephoned Thursday night that Judge Coshow was displeased with the attention given the operations of the Empire Holding company and that he had been "unable to sleep."

## Present Officers

## Refuse to Resign

R. W. Clancy, director and secretary of the Empire Holding company, reported to The Statesman on Friday that efforts on the part of certain stockholders in the Empire Holding company to compel the resignation of its present officers and directors had been unsuccessful. Frank J. Keller, Jr., is understood to have been willing to resign as sales counselor for the good of the company but Judge Coshow is quoted by Clancy as stating that he would not resign as president. The judge is further quoted as saying that if he were forced to resign he would sue for the payment of the balance of his contract for the first year, the total sum yet due Judge Coshow under his contract is \$101,500.

When asked by Clancy for an explanation of the oath which he took November 14, 1930, while chief justice of the state supreme court, Coshow is quoted as saying: "Max McCallister told me it was all right."

When asked by The Statesman last night if he had told Judge Coshow and other directors of the Empire if they did not need to pay in the money as the permit specified, McCallister is quoted as saying: "There were several conferences before the permit was granted but I do not recall telling them anything about their payments. They didn't ask me for any advice; they had their own counsel, Mr. Stockman. They filed the application for permit just as it was."

## Sought Increase

## In Price of Stock

Yesterday it was revealed at the offices of the state corporation commission that Judge Coshow came here personally during the mid-year of 1931 to ask that the Empire's permit be changed so stock could be sold for \$112.50 a share instead of \$100. The judge explained that the rapidity with which the public was accepting the stock made this increase justified. The request of Judge Coshow was summarily denied by the corporation department.

a year longer and in March, 1932, located in McMinnville, where he formed a partnership with O. H. Irvine, an association which was maintained for five years, when Mr. Coshow was appointed deputy district attorney, in which capacity he served for ten months. On April 1, 1937, he moved to Roseburg, Oregon, where he was successfully engaged in the practice of his profession until January 15, 1934, when he was appointed an associate justice of the supreme court, to which position he was elected in the following November.

"Judge Coshow's record as lawyer and jurist has stamped him as one of the most capable members of the legal profession of his state, his decisions being marked by logic and lucidity that has added to his already well deserved prestige as a master of the law."

"On December 25, 1886, Judge Coshow was united in marriage to Miss Elizabeth Kay, who was a sister of State Treasurer Thomas B. Kay and a daughter of Thomas and Ann (Slingsby) Kay, both of whom were natives of England. Her parents came to Oregon in 1842, and the father here established the first woolen mill in the state. He also established the Brownsville Woolen mills at Salem, to the operation of which he devoted his time up to the time of his death, which occurred in 1900. His wife died in 1915. To Judge and Mrs. Coshow were born five children, namely: Elizabeth K., who was the wife of Dr. Earle B. Stewart, of Roseburg, Oregon, and died July 14, 1913; Hazel, the wife of K. H. Pickens, of Salem; Lenore Dale, the wife of Charles P. Thompson, of Portland; Bertha Leone, the wife of J. L. McClintock, of St. Helens, Oregon; and Oliver Perry, who died in infancy. The mother of these children passed away in June, 1925.

## Was Senator Here

## At 1904 Legislature

"Politically Judge Coshow has been a lifelong democrat and in early years took a very active part in political affairs, being a member of the state senate in 1904, while during his law student days he served as a justice of the peace at Albany."

Judge Coshow's Masonic connections are recounted. The biography continues: "Judge Coshow is a member of the Rising Star Lodge, I. O. O. F., at Roseburg; the Woodmen of the World, of which he is a past council commander; and the United Artisans. He has long been a member of the Baptist church, served as Sunday school superintendent for many years and was president of the Baptist state convention. He is a member of the Oregon State Bar association and the American Bar Association and is a director of the Thomas Kay Woolen Mills at Salem."

"A man of sound erudition and strong individuality, tirelessly devoted to the law, and unbiased in his judgments and opinions, he stands as one of the most capable members of the legal profession of his state, his decisions being marked by logic and lucidity which are accorded him by his fellowmen."

According to Who's Who in Oregon, published in 1929 by the Oregon City Enterprise, Judge Coshow was a member of the B. P. O. E. lodge, was at the time a member of the Illahoe country club at Salem, and was a Kiwanian. Since his removal to Portland January 1, 1931, Judge Coshow has been a regular member of the White Temple Baptist church where he is now a teacher of a Sunday school class. For many years Judge Coshow has been an honored member of the Linfield college board of trustees. Linfield is a Baptist institution located at McMinnville. In recent months he was asked to serve as referee in the hearing of The People vs. The Portland General Electric company, on the matter of street railway rates and service. Voluminous testimony in this case is being weighed by Judge Coshow. Until recent weeks he is said to have been making his home at the Campbell court hotel in Portland.

The Statesman has already described in some detail the personality and appearance of Frank J. Keller, Jr., sales counselor of the Empire Holding company. Tomorrow it will print a facsimile of the letter received from the Better Business Bureau of Denver concerning Keller's jail imprisonment there.

The following is from the text of a letter written February 16, 1931, by Ralph A. Badger of Ralph A. Badger & Co., stock and bond brokers, Salt Lake City, Utah, to the Portland Better Business Bureau, Inc., Robert M. Mount, manager.

## "Dear Mr. Mount:

"In reply to your letter of February 12, in regard to Mr. Frank Keller Jr., I am pleased to give you what information I can in regard to Mr. Keller. "Mr. Frank Keller was the brains, the organizer, and the manager of the International Sales company, of Salt Lake City, as far as I can learn. I heard of him many times in certain trades which were made around Salt Lake. I am informed that he promoted the International Sales company, of Salt Lake City, and that the International Title Guarantee company, of Salt Lake; the Pacific National Life Insurance company, of Salt Lake; and he also sold shares of Nathaniel Baldwin company stock. From what I can learn, and from what I have seen of the operations of these different companies Mr. Keller is a very successful promoter for his own interest. He promotes pure and simple and nothing else. He does not stay with the company, he organizes, he merely sells the stock to others and then goes on to a new company, or a new city. In Salt Lake he organized the above mentioned companies one after the other, in I think, about two years, and is supposed to have taken out between four and five million dollars from the public for stock which he sold in these different companies."

"He operated in offices in the Deseret National Bank Building, of Salt Lake City, he hired a great number of salesmen. I am told that he had about eighty-five salesmen working out of the offices of the International Sales company. These salesmen were of the high-pressure type. "I am not familiar with the inner workings of any of these companies which he promoted, with the exception of the Nathaniel Baldwin. I do know, as a matter of fact, that they paid \$1.00 per share for 100,000 shares of Baldwin Radio stock, then sold it for \$2.50 to \$4.50 per share; although the Baldwin company was on the rocks when the sales began, as a matter of fact, they paid for their stock merely delayed the closing of their plans, and could not have saved any circumstances have saved the industry, although the Baldwin patients have a lot of merit. "If I can be of further service to you I shall be very pleased to hear from you."

# MUCH SCORING FEATURES WIN

Reserves get 19-Point Lead But Albany Comes Back Strong Toward end

(Continued from page 1)

ball most of the distance to Albany's 15 where it was lost on an intercepted pass on the fourth down. After punts, the aerials continued to work and a 20-yard penalty was drawn when one of the Albany college men held a Willamette end who had a perfect chance to catch a pass.

From the 15-yard line Ross made three and Olson went through for a first down. What Olson lacked on two more attempts, Ross gained on a cross buck for a touchdown. A line buck for point failed, leaving Willamette in the lead, 6 to 0.

Willamette received the next kickoff on its own 42 and marched to the Albany 40. Here a risky pass proved to be good business and Frantz grabbed Paul's toss with no one close, scoring a touchdown untouched. This time Ross kicked goal, making the score 13 to 0.

Surprise Punt is Factor for W. U. A 51-yard punt by Paul from close formation, followed soon by a 20-yard gain from scrimmage by Ross, placed the Bearcats on the Pirates' 15-yard line. Chuck "Moe" Ingersoll took Paul's pass, was tackled, but rolled over and up to his feet to cross the line for a touchdown. The kick was blocked. Willamette 19, Albany 0.

The Bearcats' bag of tricks contained too many duplications, for the next attempted quick kick from close formation was blocked and Albany recovered on Willamette's 31-yard line. Buchanan and Adams checked through the Bearcats, who were now weary from a continued offense, and with the help of Clacker, packed the ball to scoring territory. The kick went right and for the touchdown. He also kicked the goal, making the score 19 to 7.

In the third quarter Jack Connor replaced McKee at end and recovered a fumble on the Pirates' 13-yard line. A weak side run lost two yards and on the following play Paul shot a pass to the flat which was taken by Adamscheck for a 90-yard ride to a touchdown. Two men tackled Paul when he passed the ball and no one was left to protect. The kick went wild, leaving the score 19-13 for Willamette.

"Believed to have come to Denver about 1921, and shortly thereafter claimed to be fiscal agent for the Farmers Security & Mortgage company, selling stock in that concern. Believed to have come from San Francisco, Cal.

"July 29, 1921, the district attorney filed complaint in the West Side Court against him and two others, alleging conspiracy, false pretense, operating confidence game and grand larceny. This complaint was dismissed August 12, 1931.

"July 21, 1931, a federal indictment was returned against him and two others, on count of using mails to defraud in a \$30,000 swindle. During that time and date of trial, June, 1924, he is reported to have resided in Los Angeles.

"July 2, 1923, Keller was found guilty of said count in the Federal District Court, fined \$3000 and sentenced to eight months in the county jail.

"November 9, 1924, court entered order modifying sentence. "November 15, 1924, clerk of court was ordered to sell Liberty Bonds in his possession to apply on fine. Bonds were sold for \$10 in excess of fine and excess was turned over to his attorney."

The Statesman, believing the public entitled to a complete story on the fast-working plans

of the Empire Holding company, will show tomorrow additional facts on the cash received and disbursed by the company. It will relate the latest developments in the shareholders' demand for reorganization. Before the articles are ended The Statesman will outline plans suggested for the rehabilitation, if possible, of the Empire Holding company.

Lincoln and summary:

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Lincoln and summary:

# WILLAMETTE ALBANY

Score by periods: Willamette 13 0 0 6—35 Albany 0 7 0 0—7

Scoring: Willamette, touchdowns, Ross, Frantz, Ingersoll, Erickson. Point after touchdown, Ross (place kick). Albany, touchdowns, Buchanan, Adamscheck. Point after touchdown, Buchanan.

# DALLAS MAN HELD, SUSPECTED SLAYER

(Continued from page 1)

found here today near the place Collie was arrested.

Collie admitted that he was the Bert Hart who left Los Angeles last June with Slater to go to Boulder City, Nev. He confessed also, officers said, that he took Slater's automobile and forged the "pink slip," ownership card, having the car transferred to him on Oct. 12. The Slater machine was transferred again to a Tom Healy of Trons, Calif.

Healy is believed to be an alias of Collie. Relatives became alarmed after Slater had failed to communicate with them, and his mother, Mrs. Ray Slater of The Dalles, Oregon, came here to search for him. She convinced Cecil Dell, a son-in-law here, that Dale may have met foul play.

# Gregory Service Will be Sunday; Dies at Age 79

LEBANON, Ore., Nov. 20 — Funeral services for Mrs. A. Gregory, who died at the home of her daughter, Mrs. Joe A. Wright of 291 Dodge street in Lebanon at the age of 79, will be held Sunday, November 22, at 1:30 p. m., at the Howe undertaking parlors. The body will be interred in the Providence cemetery.

Mrs. Gregory was the beloved wife of A. Gregory, and the mother of Mrs. H. C. Cunningham of Mina, S. Dak., H. A. Gregory of Selo, Ore., Mrs. L. A. Crane of Mantelst, S. Dak., Mrs. A. N. LeBarre of Wren, Ore., George Gregory of McIntosh, S. Dak., Mrs. Joe A. Wright of Lebanon, Ore., and Mrs. Murray R. Miller of Oregon City, Ore.

# Will Start on Capitol Street Wooden Bridge

Construction of the new wooden bridge over the gulch on South Capitol street between Bellevue and Oak streets is expected to begin today or Monday, when Philip Fisher, head of the county bridge crew goes to work there with his pile driver.

After the old bridge was found to be unsafe and too badly rotted to be worth reconstructing, it was torn down by the crew of Hugh Rogers, city engineer.

# David Compton Heads Y. M. C. A. Volunteer Boys

David Compton yesterday was elected president of the Y. M. C. A. volunteer office force, a group of 13 boys who assist with dispensing games equipment and supervising lobby activities. Charles Wipac was chosen vice president, Douglas Chambers, secretary, and James O. Sehon, sergeant-at-arms.

The boys will hold bi-monthly meetings to consider improvements in lobby activities.

Willamette 13 0 0 6—35 Albany 0 7 0 0—7

# CHRISTMAS BOOKS SHOWN AT LIBRARY

Display of Volumes Which Children Will Enjoy Timely Just now

"Listen my children and you shall hear" and who has not seen children drop anything that might be occupying their attention at the sound of those words, and come running to hear a "tale"? The worst difficulty is to find "tales" enough to keep them interested. With Christmas coming on there is again another demand and that is for "books"—"tell Santa Claus I want a book." And then poor mother and father scratch their heads and wonder what books can be added to the child's library which will best suit his needs?

A timely suggestion as to how to meet the demands for "tales" and for "books" is to be found in the fireplace room of the public library this afternoon and evening. There will be a hostess there to greet you, either Miss Covington, librarian, or one of her staff and what they can suggest in the way of books for children will not need worry anyone.

The books are arranged in complement to "book week." The displays have been placed on shelves and tables about the room and all who come may examine the books, take notes and form a line of study for their children if they so desire.

For instance the international idea is carried out in the manner in which these books are arranged. Stories telling of the life of the various nations are arranged as to countries and so labeled.

There is a charmingly covered and illustrated copy of "The Cat Who Went to Heaven," the story of Japanese life and a story which won the Newberry prize last year. To win the Newberry prize is to be the book considered the best book of the year for children.

Then there is "Little Bear," a cunning volume which tells of the life of Chinese, and there is a glorious volume of "Bunny Hound and Clown" written by Muerkerji who has been in Salem and spoken here as many will remember. The tale is one of Indian folk-lore.

A group of volumes varying in binding and aiming to show that a book does not necessarily need to cost so much is made from the popular "Arabian Nights." This idea is carried out with several of the groupings made by Miss Covington and her staff in this exhibit. Books of the cheaper volumes and books, of the cost, are very attractive and well within the means of most parents.

There is a table on which is a miscellaneous grouping of books and in which it to be found some jolly books concerning dogs. It is a temptation not to sit right down and spend the afternoon at this table.

There is also an attractive display of dolls of various nations. This display was loaned by Sibyl Spears. It is a splendid suggestion to parents as to how to teach the variation in dress of the various peoples of the world.

Fascinating posters, pictures and the splendid and enticing display of books make the fireplace room of the library a place in which one could easily spend an afternoon, taking notes, and planning the reading of Johnny and Mary for the rainy months.

# WARNER BROS. Elsinore

LAST DAY SPECIAL MICKEY MOUSE PROGRAM AT 1:00 P. M. Today with "SNAKES ALIVE"

A Booth Tarkington Comedy "MELINDRAMA" with Clark and McCullough "DANGER ISLAND"

Here They Are! Pie-eyed with Joy... Reeling with Laughs... Led to the Gills with Good Old Bottled-in-Bond... Laughs! STARTS TOMORROW

# WHEELER WOOLSEY

TEAR UP THE MORTGAGE! BURN THE CRYING TOWELS! GIVE THE GATE TO GLOOM! Here's a Barrel of Laughs with the Spigot Open! ... Got Under and Got Your Share!

# CAUGHT PLASTERED

ADVANCE SHOW MIDNITE MATINEE TONIGHT 11:30 P. M.

# BUSHNELL CORRECT ON WATER HEATER

M. C. Bushnell, city building inspector, recently refused to buy a patent electric water heater from a salesman. That he used good judgment is confirmed by a report from Norfolk, Va., that three old chills were electrocuted by one of the contrivances. A story from the News Bulletin of the International Association of Electrical Inspectors, reprinted from a Norfolk newspaper, gives an account of the child's death. The water heater, which has been widely advertised, operates by being attached to a water faucet. It has never been approved by the national board of fire underwriters, which tests such appliances in its laboratories, and only approves them on recommendation of the association of electrical inspectors.

Bushnell refused the sale under the ordinance, used in Salem, Eugene and Portland, prohibiting the sale of unapproved electrical apparatus. He claims that there should be a state law prohibiting the sale of such articles. At the present time, outside of the cities mentioned, there is no city having such an ordinance.

# BUSHNELL CHECKS LACK OF PERMITS

E. C. Bushnell, city building inspector, yesterday requested W. H. Trimble, city attorney, to issue warrants for the arrest of heads of five Salem firms for violating the building code by failing to take out building permits.

The defendants and charges in the building inspector's action will be:

Neilson brothers, doing a plumbing job on or about September 15 without a plumbing permit.

J. B. Nathman, a similar offense on about October 15.

Carl Armistead, re-roofing a building without a permit.

Eff Electric company, installing electrical wiring and fixtures without a permit.

E. A. Pruitt, erection of a house at 349 South 16th street, without a permit.

The building code ordinance requires that a permit for each job be taken out by the contractor or concern doing the work.

# Wall Street is Heavily Guarded Due to Threats

NEW YORK, Nov. 20—(AP) Threatening letters signed "Communism" moved police to place an armed, unprepared guard over the financial district today.

Around the house of Morgan, the U. S. sub-treasurer and the other buildings crowding the money mart of the world, moved heavily armed plainclothes men, a trebled uniformed force, and police automobiles bristling with shotguns and one-man machine guns.

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